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## Terry Goddard Advises Consumers to Be Aware of Gift Card Fees

The holiday shopping season has begun and gift cards and certificates are often the perfect solution for gift giving puzzles. I caution consumers to be especially careful when purchasing and redeeming gift cards. Please, be aware that some companies charge fees and set expiration dates on their gift cards.

In the past, a gift card could only be used in the store where it was purchased. Today, some companies offer gift cards that can be used at any store in a shopping mall. Other gift cards contain major credit card logos and are accepted in numerous stores across the country. Unfortunately, some of these cards are subject to hidden fees that may not have been disclosed at the time of purchase. An example is a "dormancy" fee, which is automatically deducted from the balance of the card for each month the card is not used after a certain time period. If the recipient does not know about this feature, he or she may find the card is worth far less than expected when it is redeemed.

I believe consumers should know exactly what they are giving. The gift you give should be redeemable for the value you intended! At the very least, you should be made aware at the time of purchase that your gift may be subject to fees, if not used by a certain date.

Unlike some states, Arizona does not have a gift card/gift certificate statute that forbids stores from adding fees to gift cards or that requires a full disclosure. I will be asking the Legislature next year to prohibit these hidden charges. Until then, Arizona consumers should either ask for the policy regarding gift cards in writing before purchasing, or ask the following questions:

- Are there any fees associated with the gift card?
- Is there an expiration date for the gift card?
- What happens to the balance of the gift card, if it is not used within a certain time after being issued?
- Where is the gift card accepted?
- If the card is partially used, are fees assessed on the unused balance?

Please visit the Arizona Attorney General's Web site at [www.azag.gov](http://www.azag.gov) for additional information about scam alerts and advisories.

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